



Labour Market Challenges Facing the Convenience Store Industry in BC

Sector Labour Market Partnerships Final Engagement Report

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Canada



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Executive Summary

With support from the BC Ministry of Jobs, Tourism and Skills Training, the Western Convenience Stores Association (WCSA) has begun the first phase of a Sector Labour Market Partnerships (LMP) project to determine the predominant labour force challenges facing the convenience and gas industry in BC. This report describes the necessary first steps that have been taken to engage the sector in preparation for an in-depth labour market information study required to inform strategies that will effectively address the accelerating labour shortage experienced by sector employers.

The convenience store industry is primarily engaged in retailing a significant selection of beverages, snacks, candy, grocery items, gasoline and age restricted products such as tobacco and lottery. British Columbia's industry represents an important economic driver in the province. Industry data show that BC's 2,989 stores employed an estimated 25,700 people and generated \$6.3 billion in sales in 2015.¹ In 2014, the convenience and retail gas industry in BC collected more than \$1.1 billion in taxes, with each store contributing an average of \$336,480.²

In recent years, employers in this sector have begun to experience labour shortages that have started to erode the viability of their businesses.

The first phase of this project engages the convenience store sector by bringing together the industry association, employers, and other stakeholders to develop a broadly representative partnership and identify key labour market issues. Through this initial consultation process, the scope and priorities for a Phase Two Labour Market Information (LMI) project have been determined, along with the creation of a Steering Committee, governance model and terms of reference to support subsequent research and strategy work. The reports produced as part of the Sector Labour Market Partnerships projects will inform future labour market strategies taken by the sector.

To ensure the diversity found within the sector is reflected in reports, the WCSA has undertaken consultations with representatives from each sector segment and level of employment, including convenience store owners, employers, employees, managers and others through group meetings, individual interviews, and survey responses.

Several key themes have emerged through the initial engagement process and further refinement will occur as discussions continue. The most persistent challenge employers and managers have reported to date is that of recruiting and retaining appropriately skilled retail clerks and other retail service employees at the wage rate employers in the industry are able to offer. It was repeatedly noted that this challenge has become a more pressing issue since 2014 and has worsened dramatically since mid-2016. While the change noted in 2014 has been attributed to changes in the Temporary Foreign Worker (TFW) Program, the reasons for the more recent tightening of the labour supply are unclear.

¹ Canadian Convenience Stores Association, *Facts and Figures Report* (2016)

² Canadian Convenience Stores Association, *Facts and Figures Report* (2015)

Nevertheless, a number of factors were identified as contributing to this challenge. Those emphasised by stakeholders include:

- The cost of living, especially in the Lower Mainland and Okanagan
- Perceptions of the industry in general and its lack of appeal to qualified job-seekers
- The regulatory environment; most notably, changes to the Temporary Foreign Worker (TFW) Program that have resulted in a time-consuming and expensive process that limits its accessibility to the industry and consequent uptake
- Increased competition from all sectors for the local pool of Canadian workers, a result, in part, from changes to the TFW program.

This report presents a deeper look at the nature of the labour market challenges reported by employers and industry stakeholders during this engagement phase and identifies potential priority areas for action.

Project Context

The Western Convenience Stores Association (WCSA) was founded as a not-for-profit organization in 2002 to provide leadership for the industry on key issues affecting owners, operators, employees and customers in Western Canada. The WCSA represents more than 7,000 gas and convenience retailers throughout the four western provinces and three northern territories, including their suppliers, distributors and stakeholders.

The convenience store industry is primarily engaged in retailing a selection of convenience items such as food, beverages, newspapers and magazines from small sites located within and close to residential areas. Most establishments also sell age-restricted items like lottery tickets and tobacco. BC convenience retailers do not sell alcoholic beverages at present unless licensed to do so in remote areas that lack government liquor stores. Many stores provide gasoline sales.

In 2015, there were 2,989 convenience stores with and without gas sales operating in BC.³

Stores have played a significant role in providing newcomers to Canada with their first Canadian work experience. For many newcomers, employment with convenience stores represents an effective introduction to business in Canada and a stepping-stone to other work. National industry data shows one quarter of all convenience stores are owned by people of Asian, Arabic or Indo-Pakistani descent.⁴ Comparative BC data is not currently available.

Industry data along with the insights offered by participants in this project indicate that the convenience store and gas industry is evolving. An increasing consolidation of store ownership and an increasing presence of participation in the sector from larger chains have led to a redefinition of what constitutes a convenience store. In 2014, the Canadian Convenience Stores Association undertook to more accurately reflect the changing nature of the convenience retail environment by expanding its definition to include some pharmacies, grocers, and dollar stores – businesses that have lately begun to adapt their offerings, operations and store environments to attract the “convenience shopper”.⁵

The Canadian Convenience Stores Association now uses the following characteristics to define what constitutes a convenience store for statistical purposes:

1. Building size of less than 5,000 square feet (460 square meters).
2. Off-street parking and/or convenient pedestrian access.
3. Extended hours of operation, with many open 24 hours, seven days per week and not subject to holiday restrictions.
4. Offer at least 500 stock keeping units (SKUs).
5. Product mix includes a significant selection of beverages, snacks, candy, tobacco, grocery items, gasoline and lottery.⁶

In the current environment, greater competition for both customers and staff from relatively new entrants into the convenience store sector is compounding labour market challenges in the

³ Canadian Convenience Stores Association, *Facts and Figures Report* (2016).

⁴ Canadian Convenience Stores Association, *State of the Industry Report* (2014).

⁵ Canadian Convenience Stores Association, *State of the Industry Report* (2014)

⁶ Canadian Convenience Stores Association, *Facts and Figures Report* (2016).

industry. Meanwhile, it appears that smaller businesses are gradually being displaced as consolidated ownership increases. The WCSA's membership reports imminent store closures, reduced hours of operation, and staff lay-offs.

The sector has relied heavily on the Temporary Foreign Worker (TFW) program to staff stores. In 2014, changes were made to program processes and criteria which significantly reduced the TFW program's accessibility to convenience stores. Greater efforts by stores to recruit domestically to mitigate the effects of changes to the TFW program have met with limited success. The WCSA reports that finding and retaining store staff has become store owners' and the WCSA's most pressing priority. High rates of staff turnover and the associated cost of on-boarding and training new staff are imposing additional stresses, reducing margins and further threatening businesses' existence.

Challenges in the labour market environment have been increasing recently in many industry sectors and are not necessarily unique to convenience stores. However, with a number of regional and regulatory factors contributing specifically to the convenience store industry's experience, these challenges have been felt more acutely by this sector since mid-2016.

Project Overview

In order to identify, understand, prioritize and ultimately address the labour market challenges currently facing the convenience store industry in BC, the WCSA has received support from the provincial government to undertake a comprehensive survey of industry stakeholders. Phase one of this project involves a broadly representative consultation process to engage the sector consisting of the following activities⁷:

- Individual interviews
- Group meetings
- Stakeholder surveys
- Analysis and synthesis of findings
- Establishment and inauguration of a steering group to support subsequent project phases
- Preparation of a Phase Two Labour Market Information (LMI) research project application

This report describes the preliminary activities and emerging labour market priorities and themes identified by the sector.

⁷ The work plan for this project is included in Appendix 1.

Sector Engagement

In the months leading up to this report, the WCSA reached out to solicit participation from industry stakeholders by electronic newsletters and by telephone.⁸ Contacts were asked to choose how they would be willing to participate in the consultation process – through in-person or remote participation in group meetings or individual interviews or by completing a survey.

Newsletters

A newsletter was sent to 1,274 BC convenience store retailer email addresses on December 5, 2016. The contacts were located throughout all regions of BC and represent a range of different types of retailers such as independently-owned stores and franchises; gas/convenience operations; small, medium, and large chains and corporate operations. The newsletter provided a brief description of the project as well as a link to an online survey to collect further contact information and identify the recipient's preferred mode of participation. Response was low, so a revised follow-up newsletter was sent to 1,421 BC convenience store retailer email addresses. This included those who received the first mailing and another 147 contacts that had been collected in the intervening week.⁹

Nine potential participants have been identified through this process and follow-up work is currently being done to engage them in the consultation process.

Telephone

The WCSA continues to reach out to individual convenience store operators by telephone in order to target specific areas of the province in which the potential for further consultation is being assessed. The goal is to engage industry stakeholders who might not otherwise have been reached through email and to speak with them personally.

Calls have been made to convenience stores of all types in the following regions:

- Lower Mainland (Burnaby, Coquitlam, and New Westminster) – 66 store locations
- Okanagan (Kelowna, Summerland, and Peachland) – 34 store locations
- Northern BC (Prince George, Terrace, Kitimat, Thornhill, Houston, Fort St. John, Burns Lake, Smithers, Fort St. John, and Vanderhoof) – 84 store locations
- Vancouver Island (Nanaimo) – 50 locations

Seventy-three potential participants have been identified through this means. Follow-up to engage them in the consultation process is underway.

⁸ A list of participants in the consultation process so far is included in Appendix 6.

⁹ Copies of newsletters and the initial participation survey are included in Appendix 2.

Engagement Activities

Engagement activities continue to progress and the WCSA will continue to reach out to additional participants throughout subsequent phases. The issues raised at group meetings and individual interviews, and through questionnaires and surveys, have formed the “Key Themes and Findings” section of this report. As this project moves into its Labour Market Information (LMI) research phase, more voices will be added to the conversation.

Group Meetings

A group meeting was held in Burnaby on January 19, 2017.¹⁰ Sixteen potential attendees were identified through conversation with WCSA members and those who expressed interest were sent invitations by email. The meeting was attended by nine participants, predominantly managers and owners, including representatives from stores with and without gas, chains and franchises, as well as one participant from an organisation specializing in the recruitment of hourly employees. The meeting included an overview of the project – its purpose, phases, and potential next steps – background on the TFW program, and a brainstorming session in which attendees were asked to share their experiences related to labour market challenges in the industry.

Individual Interviews

Interview arrangements with five store owners and managers were scheduled for February 15, 2017 in Kelowna with participants from two independently-owned small stores as well as Petro Canada/Suncor, Mac’s and Canadian Tire. One of the independent store owners cancelled the meeting due to a scheduling conflict. Upon arrival in Kelowna it was discovered that one of the stores was not a convenience store operation and was found not to pertain to the research. In all, three in-person interviews were conducted on this date.

Questionnaires and Short Surveys

Thirty-four questionnaires¹¹ were distributed to potential participants prior to the group meeting held in Burnaby on January 19, 2017.

After the meeting, a short survey was developed and sent successfully to 107 potential respondents. At the time of the writing of this report, completed questionnaires and short surveys are beginning to be returned and analysed.

Barriers to Engagement

The WCSA continues to invite participation from a broad representation of stakeholders throughout BC. Those who have responded positively to requests for participation have done so with enthusiasm. Even so, engaging this sector has presented a number of challenges.

Some issues were common to stores in all locations. When stores were reached successfully by telephone for example, the most common barriers to engagement that emerged were:

¹⁰ A summary of the January 19, 2017 meeting, along with the agenda and a sample invitation is included in Appendix 4.

¹¹ Copies of the questionnaires and surveys, and sample requests to complete them are included in Appendix 3.

- The person contacted was too busy to talk (e.g., he or she was serving customers)
- No one in a position to answer questions was available (e.g., the owner or manager was not there)
- In corporate store environments, the person who answered the phone did not feel authorized to disclose any information, sometimes telling the caller to “Google head office”
- There were language barriers.

Staff shortages also emerged as a significant factor when attempting to schedule individual interviews and meetings. In some cases the very labour shortages being examined by this project prevented both in-person attendance and remote participation – owners and managers simply could not take the time away from their stores.

Some of these barriers to engagement seem to point to an industry trend toward an increased presence of large and small chains and corporate operations, at least anecdotally. The next section of this report looks at this emerging trend in more detail.

Emerging Industry Trends

Some of the challenges in securing engagement so far seem to reflect an evolving industry trend toward an increased presence of larger chains, both corporate and independently-owned.

For example, attempts were made to contact 33 convenience stores of all kinds in Prince George by phone. However, nine of these phone numbers were no longer in service (27%) and it was discovered eight of these locations no longer existed because they had been bought out by larger chains or corporations.

This was not the case in the Okanagan where two out of 34 phone numbers were no longer in service (5%). The challenge that emerged most predominantly in this region was that staff did not feel authorized to release information or respond to questions. In seven out of nine (77%) of these situations, the caller was told to contact a corporate head office.

In the Lower Mainland, the appearance of this trend toward corporate or consolidated ownership seemed to be slightly tempered by a larger presence of “Mom and Pop” businesses with a few owners commenting that their only employees are themselves. Nevertheless, during the group meeting in Burnaby, Greater Vancouver area retailers shared their perception that these small operations are gradually closing down and that if the gap is being filled it is being filled by larger chains.

Efforts to distinguish trends are complicated by the wide range of business models within the convenience and gas industry, which can make statistical interpretation difficult. For example, when referring to store ownership, the term “independent” can refer to anything from a single family-owned neighbourhood store to multiple locations with a single owner operating under an agreement with a large company like Petro-Canada, Husky or Mac’s. To further complicate matters, these agreements vary considerably from company to company with different provisions made for various aspects of their operations, including human resources.

Statistical reports show a gradual increase in the presence of corporate operations and larger chains in Canada that peaked at more than 60% in 2014.¹² However, definitions of what constitutes a convenience store have changed over the years, and in 2014 the definition was expanded to include a wider range of businesses such as some pharmacies and small grocery stores, an expansion intended to reflect the impact of the changing makeup of the industry that is sometimes referred to as “channel blur” or “category creep” (e.g., the recent entrance of drug stores with 24-hour convenience store sections into the industry). In 2010 it was also becoming apparent that independent operations were increasingly joining large or small banner groups and buying groups to help offset shrinking profit margins.¹³

Tight profit margins are making it harder for smaller independent stores to stay open and it appears that the family-owned “Mom and Pop” business model is indeed slowly disappearing from the convenience store landscape. This could help to explain the increased pressure of labour market challenges on the industry since larger operations employing larger numbers of people – both independent and corporate – have traditionally felt such pressures more keenly and have also been most likely to rely on the TFW program to mitigate staffing shortages.

¹² *Canadian Convenience Store Industry Facts and Figures Report* (2016).

¹³ *Canadian Convenience Stores Association, State of the Industry Report* (2010).

Key Themes and Findings

Perspectives and insights brought to the consultation process so far help to describe a complex, rapidly evolving and multi-faceted labour market situation in the BC convenience store industry. Through consultation with convenience store operators and other industry stakeholders the WCSA has been able to identify a number of key dynamics which are summarized here.

Recruitment and Retention of Staff

Employers described the difficulty they have finding employees of any kind and their frustration in being unable to find and retain suitable ones.

Response rates to job advertisements are typically low and sometimes those who do apply are less interested in being employed than in seeking to satisfy job-search requirements mandated by Employment Insurance or Employment and Income Assistance programs.

Employers in all types of convenience and gas operations generally report that their current workforce is composed primarily of students working part-time. These employees are difficult to retain. Employers' expectations regarding commitment, reliability and flexibility are often not met. The mismatch in expectations is commonly made evident by employees quitting with inadequate notice and being resistant to performing the full scope of tasks associated with the job. Employers consistently report frustration and stress upon having to prioritize the need for constant staff supervision, recruitment and other human resource issues over other aspects of their businesses. One meeting participant said she interviews job applicants every day.

There are significant costs related to the difficulty in finding and retaining suitable employees. Focus group participants and interviewees estimated the financial investment involved in providing each new employee with initial required training and orientation to represent a monthly cost between \$2,000 and \$4,000, a figure consistent with published retail industry research.¹⁴ One employer with an overall staff compliment of four employees reported training more than thirty new employees over three years at a cumulative cost of more than \$60,000. In this instance, all of these employees either quit or were let go for various reasons related to unsatisfactory performance.

¹⁴ The cost of employee turnover is difficult to measure accurately. One interviewee reported that initial training and on-boarding costs depend on a number of factors such as the number of new employees being trained at one time, how long they remain employed with the company and the cost of employing the trainer. Typically, new employees undergo 2.5 weeks of training, 6 hours per day at a pay rate of \$10.85 to \$11 per hour. Direct costs include job advertisements, hiring interviews and assessments, checking references, employee deductions and remittances (e.g., CPP, EI, income tax) as well as formal and on-the-job training. According to research reported by Mindfield Group, other less-easily measured costs include the impact turnover has on customers and ultimately sales, inventory shrinkage, paperwork errors that affect other administration, and inefficiencies on the store level due to low initial productivity. Data gathered in 2000 suggests that the cost of recruiting and training a new retail employee is between approximately \$2300 and \$4300 depending on the business environment. Source: Laker, Cameron. *Measuring the Cost of Turnover in the Retail Industry*. <http://www.mindfieldgroup.com/2015/09/blog-measuring-the-cost-of-turnover-in-the-retail-industry/> Retrieved March 14, 2017.

An interviewee in Kelowna has established a modicum of stability by training family members and sharing staff between store locations to fill gaps left by a shortage of regular employees. Many employers without this option would like to be able to hire more mature staff (e.g., retirees), foreign workers, immigrants, refugees and people with disabilities, but lack the necessary support and community connections which makes reaching out to these demographics difficult.

Wages and Incentives

The entry-level wage for convenience store clerks is around \$11 per hour. This is consistent in operations with and without gas services. Some employers offer a higher hourly wage (\$13-\$14) to full-time employees, sometimes including benefits and regular wage increases in an attempt to attract more suitable applicants. After the initial investment in training for every new employee, the wages most employers are able to offer are not high enough to ensure employee retention as the work is often far more demanding and complex than the new employee anticipated.

Employers' ability to increase wages is felt to be very limited. Convenience store profit margins are notoriously low, averaging below five percent. Fluctuations in fuel prices make these tight margins even more uncertain. There is an overall sector concern that any increase in the provincial minimum wage (or in wages in general) will result in lay-offs and closures.

Many employees want to work overtime to increase their earnings, but employers cannot afford to pay them in accordance with Employment Standards requirements. The result is that some employees take on more hours at competing businesses – in some instances just across the street. While some employers may have limited abilities to offer additional training opportunities and benefits to staff who have demonstrated commitment to the business, most report being unable to find and retain such employees.

Perceptions of the Industry and Type of Work

The unique nature of the convenience store employment environment is frequently overlooked. For example, at present there is no National Occupational Classification (NOC) code that accurately describes the work performed by convenience store staff.¹⁵ Convenience store operations have sometimes been grouped within the same category as other sectors like quick serve restaurants. There can be similarities, but there are also important differences in the nature of employees' duties and breadth of responsibilities.

Working in a convenience store, especially one with a gas station, requires a more complex set of skills and more responsibility than is commonly thought. Employees in these environments are not simply cashiers or gas attendants. Employees' tasks are varied, complex and demand a high degree of accountability for compliance with government regulations regarding responsible retailing, health and safety, safekeeping of credit card records and other confidential information, and environmental protection. They are responsible for legally retailing age-

¹⁵ A list of relevant National Occupational Classification (NOC) codes is included in Appendix 7.

restricted products like lottery tickets and tobacco, preparing food and beverage service items, troubleshooting equipment, and for merchandizing, stocking, and tracking inventory. They are also expected to maintain the safety and cleanliness of the store site and must be ready to respond effectively to environmental emergencies such as fuel spills.

It was noted that as the industry becomes increasingly automated and as technologies advance, there will be a need for even more highly-skilled people.

Participants in the consultation process report that most new employees are not prepared for the range of duties they are required to perform, even if a detailed contract describing the nature of the work has been provided, reviewed, and signed. Some workers refuse to perform tasks they feel are too menial and some are simply unaware of the complexity of the job and the degree of responsibility expected by employers.

There is an apparent discrepancy between the wages that are associated with convenience store employment and the nature of the work involved, and a mismatch between the expectations of prospective employees and those of the employer. One interviewee from Kelowna represents the only convenience and/or gas operation encountered during this project so far that does not experience these problems. She has shared an example of a new employee handbook used in her business in support of this project's potential further research into industry good practices.

Cost of Living

Meeting participants reported that the problems with recruitment and retention have been getting worse for about two years, but have been particularly difficult and stressful since mid-2016. This was attributed in part to the high cost of living, especially in the Lower Mainland and the Okanagan.

The state of local housing markets makes it very difficult to hire “low-wage”¹⁶ staff locally. Housing is neither affordable nor available. This is presenting a major challenge throughout many areas in BC. Employers are now reporting increasing recruitment challenges in less central areas such as Abbotsford and Langley.

Since living near the workplace is not feasible for many people, employees must commute from other communities. Consistent with recent human resources research, convenience store employers note that rates of staff attrition increase with commuting distance. Although there are many additional contributing factors, attrition rates in general can be linked to the length of that commute: if it takes more than twenty or thirty minutes to travel to work, employees are much more likely to quit.¹⁷ Alternative transportation options can also be limited. In many areas there

¹⁶ “Low-wage” is defined as being less than \$22/hr by the TFW Program. Minimum wage in BC is currently \$10.45/hr.

¹⁷ Sullivan, John. *How Commute Issues can Dramatically Impact Employee Retention*. Talent Management & HR. (April 2015). <https://www.eremedia.com/tInt/how-commute-issues-can-dramatically-impact-employee-retention/> Retrieved March 14, 2017.

is no early morning or late night transit service that corresponds to the employee's hours of work.

Health and Safety

While employers have expressed their own frustration and stress at the labour market challenges they are facing, employees are also affected by mental health issues and stress – sometimes severely.

In addition to the fast-paced work environment, employees are frequently faced with verbal abuse from customers. It is an unfortunate and ongoing feature of the workplace and it is a problem for workers' morale and mental health. Depending on location, late night work can also put employees at potentially higher risk of abuse and violence despite the implementation of proven industry-standard measures to minimize the risks.

The effects of stress and abuse on employees can have a dramatic impact on their willingness to work in the industry. One meeting participant reported hiring 17 new employees in one month. By the end of the month seven had quit because the stress was too great.

Municipal Regulations

Unique municipal building permit regulations in Coquitlam and Richmond require gas stations to provide "split service" – both self-serve and full-serve pumps. For employers in these cities, staffing costs (and challenges) multiply because at least one employee must be dedicated to attending the full-serve pump(s) at all times.

It was observed that this is an antiquated requirement because the vast majority of customers prefer to pump their own gas. It is very difficult to find and retain employees to fill these positions which require being available to serve the rare customers who want to pay a premium to have their gas pumped for them. Convenience store owners who are affected by this requirement report difficulty engaging with municipal governments to initiate change.

Federal Regulations

Historically, chains and corporate operations have relied on the federal TFW program to help mitigate labour market challenges, but recent changes to the program have reduced its usefulness to the industry. Although a number of changes have occurred gradually over several years, TFW program fees became prohibitive in 2014 when the application fee per worker increased to a non-refundable \$1,000. Participants reported experiencing success with the program before the fee increase but the process has now become too onerous, expensive and time-consuming to be of value to them.

There are other issues as well. Among them is the fact that because convenience store clerk positions are "low wage" (less than \$22 per hour), processing an application can take up to six months in contrast to about ten days for a "high wage" position. There are restrictions on the percentage of employees that can be hired as "low wage" foreign workers and additional limits related to regional unemployment rates. The unavailability of exemptions granted to other

sectors, such as the \$1,000 non-refundable Labour Market Impact Assessment (LMIA) government fee exemption granted to on-farm agriculture, are perceived as unfair by the convenience store industry.

The impact of changes to the TFW program is magnified by a ripple effect across all industry in BC. Industries not historically reliant on the TFW program have been drawn into more direct competition for employees with industries that have been reliant, and which have lost much of their access to foreign workers due to the most recent changes to the TFW program. Consequently, a growing number of industry groups are trying to recruit from the same pool of local Canadian workers, which may help to account for the sudden intensification of labour market challenges over the past six months.

Consensus and Next Steps

As this project proceeds and more participants are engaged, more perspectives will be added to the information gathering process and the WCSA will be able to refine broad consensus, priorities and direction on next steps to address the sector's human resource and labour market issues. Phase two of this Sector Labour Market Partnerships project would involve Labour Market Information (LMI) research with direction and input from a Steering Committee. At this stage, some preliminary suggestions for areas that may warrant further investigation are emerging. Further research will inform a labour market strategy for the industry.

Potential Labour Market Information (LMI) Research Areas

Labour Demand and Supply

Research should be undertaken to assess current labour market demand, forecast future demand, and determine the current and future supply of labour. This will include an examination of the current nature of the convenience store's labour force to better define the demographic composition of the industry as a whole, how it may be evolving, and the nature of the competition for both employees and customers. This research might also include investigating demographic trends, employment rates¹⁸, housing markets, and other factors such as increased automation that may affect labour market dynamics of the industry, including how it competes with other sectors for hourly paid, relatively low-skilled, entry-level employees.

On-Boarding for New Employees

It was noted that the first few months of orientation and training for new employees are crucial in developing a sense of being valued by the employer and in fostering greater enthusiasm and loyalty. Respondents identified that improved recruitment and early orientation and training activities could be better tailored to encourage mutual understanding regarding expectations related to performance and the work environment, and result in improved retention. A labour market research study will seek to identify current practices and evaluate their impact on recruitment and retention.

Occupations within the Sector

Current National Occupational Classification (NOC) codes do not contain a classification describing the unique nature of convenience store clerk work. Labour market information research will include descriptions of the range of occupations and associated tasks of sector employees and employers.

¹⁸ BC's unemployment rate is currently the lowest in the country at 5.1%. BC Stats, *Labour Force Statistics Highlights*. February 2017.
<http://www.bcstats.gov.bc.ca/StatisticsBySubject/LabourIncome/EmploymentUnemployment.aspx>. Retrieved March 17, 2017.

Compensation

Further work could be done to analyse the levels of compensation and benefits currently being offered throughout the industry. Although employers report an inability to offer higher wages, it was suggested that a modest increase could attract more suitable job applicants, improve retention and thereby mitigate the costs associated with continuous recruitment and training. Solid information on compensation is required to inform strategy.

Attrition Rates and Causes

While the consultation process so far has provided anecdotal explanations for the seemingly high attrition rates in the industry, further research should be undertaken to ascertain what those rates are statistically as well as gather qualitative commentary from current and former sector employees.

Perceptions of the Industry

It has been suggested that an overall improvement in the “employment brand” or profile of the industry would help to make it more attractive to job-seekers. Labour market research may include a qualitative survey of individuals currently or previously employed within the sector, as well as perceptions of job-seekers seeking entry level employment with other sectors. This will inform the sector’s recruitment strategies.

Employee Recruitment Practices

Current recruitment strategies are focused on a limited number of online sites such as Craigslist, Kijiji, Castanet and WorkBC. Further research will identify other practices and evaluate factors that determine effectiveness.

Workforce Diversity

Research will determine the current demographic makeup of the convenience store workforce by age, gender, ethnicity, disability, etc. to inform strategies to improve inclusivity and sector attractiveness.

Regulatory Environment

The sector’s stakeholders have identified that immigration policy changes and municipal regulations have a significant bearing on both the demand and supply of labour. LMI research will provide data on the impact of the policy environment and help inform the sector’s engagement with policy makers in areas that will include the federal Temporary Foreign Worker program and municipal building permit regulations requiring “split service” at gas stations.

Steering Committee

In order to move into a potential Phase Two Labour Market Information Research project, individuals who have provided valuable input into the consultation process so far have been invited to serve on a Steering Committee.

A group of ten committee members has volunteered to provide direction during subsequent phases of this project:

Rae Turenne – Canadian Tire Gas Bar (Kelowna)
Balbir Singh – Mac's (Kelowna)
Dimple Sokhi – Petro Canada (Greater Vancouver)
David Charron – Petro Canada (Port Moody)
Shirley Dickman – Petro Canada (Richmond)
Rajit Jain – Mac's (Langley)
Mandip Sekhon – Mac's (Surrey)
Nicole Saius – Husky (Greater Vancouver)
Paul Jaswal – Husky (Greater Vancouver)
Melissa Denger – Petro Canada (Kelowna)

Service on the Steering Committee is expected to require the commitment of approximately twenty hours of engagement to confirm the validity of subsequent phases of the consultation process, the representativeness of resulting data and findings, and to make recommendations to direct subsequent phases of this project.

The WCSA continues to invite additional participants in order to engage a broadly representative committee including large, medium and small chains as well as independent and corporate owners of operations with and without gas stations. The WCSA is also reaching out to participants from a number of regions of the province in order to achieve a diversity of perspectives. It should therefore be noted that the composition of the committee may change over time.

The inaugural meeting of the Steering Committee was held by teleconference on March 22, 2017. The first tasks of the Committee were to establish a governance model and terms of reference for undertaking a potential Phase Two Labour Market Information (LMI) project. This document along with the meeting summary is included in Appendix 5. A Phase Two Labour Market Information (LMI) project proposal is under development. A brief description of the anticipated research activities that will be included in this proposal follows in the next section.

Phase Two Labour Market Information Research

A submission to the BC Ministry of Jobs, Tourism and Skills Training requesting support to move into Phase Two of this project is in preparation. With guidance from the Steering Committee, Phase Two will involve further engagement and consultation with industry stakeholders as well as in-depth analysis of existing labour market data in order to provide industry and government policy makers with current, accurate information to support the development of strategies to address the challenges facing the convenience and gas industry in BC.

Research will be initially guided by the potential Labour Market Information research areas identified during the engagement phase of this project and may incorporate additional areas as the Steering Committee recommends. Upon approval of a Phase Two proposal, the WCSA intends to engage a professional research consulting firm to undertake qualitative and quantitative research activities and develop a final report analyzing the results in accordance with Labour Market Partnerships Project guidelines and requirements. Potential research activities could include:

- Conducting a detailed environmental scan examining the convenience store sector in BC including the history of the sector and subsectors (e.g., standalone convenience stores [NAICS 44512] and gas stations with convenience stores [NAICS 44711]), active companies in the sector, employment levels and labour market conditions, key occupations, and size and characteristics of the sector.
- Conducting a review of economic information to determine the nature and impact of industry cycles, and analyze historical trends for the sector.
- Completing surveys of employers to determine labour supply and demand issues and training needs.
- Completing stakeholder interviews to focus on topics such as supply, demand, training and immigration.
- Populating and moderating focus groups to investigate perceptions about the sector and provide insights as to how the sector could better market itself to potential employees.

A detailed budget and timeline will be determined upon further consultation with potential research service providers.

Appendices

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- 2.3 Participation Survey

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Appendix 1: Work Plan

MILESTONE	TASK	ESTIMATED TIMELINE AND DUE DATE	RESPONSIBIITY	PRODUCT
1 Workplan	<ul style="list-style-type: none"> -outline project purpose and goals/deliverables; -identify key milestones and persons responsible; -manner in which to accomplish Goals/deliverables; -expected timeframes to accomplish goals/deliverables. 	<p>Begin November 1st. Provide draft to the Province by November 8th. Provide final work plan to the Province by November 14th.</p>	<p>Deborah Silvester Jeannie Suric</p>	<p>Work Plan document</p>
2 Selection Rationale Inaugural Team Meeting	<ul style="list-style-type: none"> -prepare the criteria for the selection of employer and association participants ensuring the selection is broadly representative of the diversity found within the sector, i.e., corporate, large chain, small chain, independent operators and co-ops; -determine the positions to be interviewed, i.e., leaders from key sector companies, owners, retail managers, HR personnel, retail supervisors, store shelf stockers and cashiers; -develop interview protocols, initial introductory emails, 	<p>November 14th to November 28th. Provide draft to the Province by 24th. Provide final work to the Province by November 28th. Inaugural team meeting tentatively Thursday, November 24th.</p>	<p>Andrew Klukas Deborah Silvester Jeannie Suric Michelle Harding Sharon Bradley</p>	<p>Convenience Store Sector Industry list</p> <p>A list to identify all North American Industry Classification System (NAICS) 2007, codes used in the Convenience Store Industry and their descriptions. Example: 4451 Grocery Stores.</p> <p>A list to identify all National Occupational Classification Code (NOC) 2011, codes used in the Convenience Store Industry. Examples: 0621 Retail & Wholesale Trade Managers;</p>

	<p>telephone script and questions designed to identify predominant labour force challenges faced by the industry;</p> <p>-determine the form of engagement in addition to the focus group meetings, i.e., telephone, personal face-to-face and email.</p>			<p>6622 Store Shelf Stockers, clerks...;</p> <p>6611 Cashiers.</p> <p>Criteria list used for selection of employer and association participants.</p> <p>Interview protocol document.</p> <p>Introductory emails.</p> <p>Telephone script and questions.</p> <p>Engagement letter.</p>
<p>3</p> <p>Identify potential focus group participants</p>	<p>-use criteria list for selection of employer and association participants;</p> <p>-canvas identified individuals and organizations to identify interest for participating in the focus group from introductory emails and engagement letter;</p> <p>-plan and design focus groups sessions;</p> <p>-develop questionnaire and moderator guide.</p>	<p>November 28th to December 12th. Draft to the Province for review of the list of Focus Group participants by December 6th.</p>	<p>Deborah Silvester Jeannie Suric Andrew Klukas Michelle Harding</p>	<p>Focus group layout map.</p> <p>Moderator guide.</p> <p>List of questions.</p> <p>Call of interest to individuals and organizations document/letter.</p>
<p>4</p> <p>Invite focus group</p>	<p>-confirm venues and dates of</p>	<p>December 12th to</p>	<p>Andrew Klukas</p>	<p>Provide Focus Group list of</p>

<p>participants to a focus group meeting in one of the three focus group meeting locations: Vancouver Lower Mainland; Prince George and Kelowna.</p>	<p>Focus Group meetings; -confirm a list of all participants as well as participants that will be on a conference or Skype call; -determine who will be the Focus Group moderator, team attendees and note taker.</p>	<p>December 30th. (We are keeping in mind availability of participants due to the Season). Draft to the Province by December 23rd.</p>	<p>Deborah Silvester Jeannie Suric Sharon Bradley Michelle Harding</p>	<p>locations, venues and dates. Provide list of invited Focus Group participants. Provide list of confirmed Focus Group participants and method of their participation, i.e., in-person, Skype or conference call. List of team attendees, i.e., Moderator and note taker.</p>
<p>5 Conduct Focus Group Meeting. Summarize reports of focus group meetings.</p>	<p>-solicit focus group participants to identify key issues, i.e., labour markets issues; HR issues, etc.;</p> <p>-analyze and synthesize interview data to identify common issues;</p> <p>-further identify issues by relevant occupations by NOC code, by role, describe relevant industry subsectors or divisions (NAICS code) as well as key labour market issues;</p> <p>-analyze and write a summary report for each focus group session.</p>	<p>Lower Mainland Focus Group Session: Tentative Wednesday, January 4th. Prince George Focus Group Session: Tentative January 11th. Kelowna Focus Group Session: Tentative January 12th. Summary reports of each Focus Group Session to be completed by January 19th. Draft to the Province by</p>	<p>Andrew Klukas Deborah Silvester Michelle Harding Jeannie Suric</p>	<p>Summary report document for each of the three Focus Group sessions to include: -analyzed and synthesized interview data identified by relevant occupations by NOC code, by role, as well as relevant industry subsectors or divisions (NAICS code to be included), as well as key labour market issues or Industry issues; -location and date of the Focus Group sessions, list of Focus Group participants, and findings of each session.</p>


		January 20 th . Final Focus Group Summaries together with relevant documentation reviewed and forwarded to Michelle Harding in preparation of Interim Engagement Report by January 25 th .		
6 Interim Engagement Report	-compile and synthesize data obtained from Focus Group summaries to include: -a narrative that describes the full scope of all project activities, including but not limited to: a) who was engaged, including the names of individuals and/or organizations that participated in engagement activities; b) how the Sector was engaged, including the number of sessions, locations, venues and method such as face-to-face, individual interviews, group-based workshops, etc.;; c) the scope of the problem/s	Data to Michelle by January 25 th . First draft of Interim Report by Michelle to the team and the Province by February 2 nd . Final Interim Report to be completed by February 9 th for dissemination to the Province for review and approval by February 13 th .	Michelle Harding Deborah Silvester Jeannie Suric	Any relevant materials information, questionnaires, etc., created and disseminated in this project phase. Examples include: Work Plan document; Convenience Store Sector Industry list; list identifying all North American Industry Classification System (NAICS) codes, 2007; list identifying all National Occupational Code (NOC) codes, 2011; criteria lists for selection of employer and association participants; interview protocol document; introductory emails; telephone script and questions; engagement letter; Focus Group layout map; moderator guide/list of questions; call of interest to individuals and/or organizations;

	<p>the partnership was seeking to understand;</p> <p>d) key themes and findings;</p> <p>e) consensus and direction on next steps to address the Sector's HR and/or labour market issues;</p> <p>f) a description of the leadership and governance structure for undertaking a subsequent LMP Program phase.</p>			<p>list of Focus Group venues and dates; list of invited Focus Group participants; list of confirmed Focus Group participants and method of participation; list of team attendees, i.e., moderator and note taker; summary report document for each of the three (3) Focus Group sessions.</p>
<p>7</p> <p>Identify Steering Committee members from focus group participation.</p> <p>Inaugural Steering Committee Meeting.</p> <p>Summary of Steering Committee Meeting.</p>	<p>-determine the Steering Committee members, i.e., both self-identified via Focus Group Sessions or invited participation via Focus Group Sessions;</p> <p>-plan and design Steering Committee Group sessions;</p> <p>-formalize a broadly representative Steering Committee Group and Terms of Reference (a governance structure);</p> <p>-prepare to govern and steer Phase 2 LMI research activities,</p> <p>provide leadership to the success of the Project;</p> <p>-identify key themes and</p>	<p>January 12th to March 9th.</p> <p>First Steering Committee Meeting: Tentative February 15th. Venue tentatively Lower Mainland Vancouver. Method of participation in-person workshop, Skype, etc.</p> <p>Draft to the Province by March 3rd. All data to Michelle by March 9th.</p>	<p>Andrew Klukas</p> <p>Deborah Silvester</p> <p>Jeannie Suric</p> <p>Michelle Harding</p> <p>Sharon Bradley</p>	<p>List of Steering Committee Members.</p> <p>Terms of Reference (Governance structure).</p> <p>List of key themes and findings.</p> <p>List of next steps re HR and/or labour market issues.</p> <p>Summary report of Steering Committee meeting to include: List of Committee members and their roles; terms of reference; research activities; identified key themes and findings; consensus and direction of next steps to address the Sector's HR</p>

	<p>findings; -consensus and direction of next steps to address the Sector's human resources and/or labour market issues including the scope of Phase 2 LMI research (timelines and budget to be included); -prepare Phase 2 application.</p>			<p>and/or labour market issues.</p> <p>Scope of Phase 2 LMI research – including timelines and budget.</p> <p>Application for Phase 2.</p>
<p>8 Final Engagement Report</p>	<p>-compile and synthesize data obtained from the Steering Committee meeting to include: - a narrative that describes the full scope of all project activities, including but not limited to: a) who was engaged, including the names of individuals and/or organizations that participated in the engagement activities; b) how the sector was engaged, including the number of sessions, locations, venues and method of engagement, such as face-to-face, individual interviews, group-based workshops etc.; c) the scope of the problems the partnership was seeking to understand;</p>	<p>Data to Michelle by March 9th. First draft of Final Report by Michelle to team and the Province by March 17th. Final Engagement Report for dissemination to the Province for review and approval by March 31st.</p>	<p>Michelle Harding Deborah Silvester Jeannie Suric Andrew Klukas</p>	<p>Any relevant materials information, questionnaires, etc., created and disseminated in this project phase. Examples include: Work Plan document; Convenience Store Sector Industry list; list identifying all North American Industry Classification System (NAICS) codes, 2007; list identifying all National Occupational Code (NOC) codes, 2011; criteria lists for selection of employer and association participants; interview protocol document; introductory emails; telephone script and questions; engagement letter; Focus Group and Steering Committee layout map; moderator guide/list of questions; call of interest to individuals and/or organizations; list of Focus Group and Steering</p>

	<p>d) key themes and findings; e) consensus and direction on next steps to address the sectors HR and/or labour market issues, including the scope of the Phase 2 LMI research, research priorities, key research questions, methodological approach, timelines and budget; f) a description of governance structure for the steering group, and group's role in leading and steering Phase 2 LMI research, including its Terms of Reference; g) the Final Engagement Report must incorporate recommendations from the Province provided in the Interim Engagement Report.</p>			<p>Committee meeting venues and dates; list of invited Focus Group and Steering Committee participants; list of confirmed Focus Group and Steering Committee participants and method of their participation; list of team attendees, i.e., moderator and note taker for Focus Group and Steering Committee; summary report document for each of the three (3) Focus Group sessions and Interim Engagement Report; list of Steering Committee summary report; and Phase 2 application.</p>
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Appendix 2.1: December 5, 2016 Newsletter



WESTERN CONVENIENCE STORES ASSOCIATION

Solving BC's Future Hiring Challenges - A Call to Action

In response to the needs and concerns of our membership, the WCSA has negotiated a contract with the BC Ministry of Jobs, Tourism and Skills Training to work with Convenience Store owners, employers, employees and other stakeholders to identify, prioritize and ultimately resolve key labour market issues facing the industry.

As a first step in the process, the WCSA will be reaching out to the sector and conducting preliminary consultations to identify what the main labour market challenges are, to develop a broad consensus on priorities, and to create a leadership group for the subsequent research and strategy work.

Have your voice heard. We need your help to strengthen the industry!

The project will involve three breakfast sessions to be held in Prince George, Kelowna and the Metro Vancouver area early in the New Year. However, you can also participate by telephone interview or email questionnaire.

Please click [here](#) to let us know by December 15 if we can contact you for input by phone or email and whether you can participate in one of the breakfast meetings.

The results of this project will also support future consultations with the federal government on the Temporary Foreign Worker Program.


If you have any questions, please feel free to contact Deborah Silvester, Project Manager, at 604-534-8499 or email: deborah.silvester@gmail.com.

Thank you,

Andrew Klukas
President, WCSA

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Appendix 2.2: December 14, 2016 Newsletter



WESTERN CONVENIENCE STORES ASSOCIATION

Solving BC's Future Hiring Challenges - A Call to Action

The WCSA and the BC Government are working together to find solutions to labour market issues facing our industry. We need retailers to share their views. Have your voice heard by joining us at one of three breakfast meetings in Prince George, Kelowna and Metro Vancouver or by participating in a telephone interview or email questionnaire.

Please tell us your preference by December 15 by clicking [here](#). If you've already signed up, thank you!

Have your say. We need your help to strengthen the industry!

The results of this project will also support future consultations with the federal government on the Temporary Foreign Worker Program.

In response to the needs and concerns of our membership, the WCSA has negotiated a contract with the BC Ministry of Jobs, Tourism and Skills Training to work with Convenience Store owners, employers, employees and other stakeholders to identify, prioritize and ultimately resolve key labour market issues facing the industry.

Early in the New Year, the WCSA will be reaching out to the sector and conducting preliminary consultations to identify what the main labour market challenges are, to develop a broad consensus on priorities, and to create a leadership group for the subsequent research and strategy work.

If you have any questions, please feel free to contact Deborah Silvester, Project Manager, at 604-534-8499 or deborah.silvester@gmail.com.

Thank you,
Andrew Klukas
President, WCSA

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Appendix 2.3: Participation Survey

Convenience & Gas Industry Labour Market Project

Thank you for offering to participate in this important project. Your input matters!

1. How can you participate in this project (check all that apply)?

- Breakfast Meeting
- Online or paper survey
- Telephone interview

2. What type of retail operation do you represent?

- Small independent operation or franchise (1-5 sites)
- Medium chain (5 - 30 sites)
- Large chain (Over 30 sites)
- Corporate (For example, hiring is always or sometimes managed by an external head office)
- Other (please specify)

3. In what city/town are you located?

4. Please let us know how to reach you

Phone:

Email:

Name:

Store Name:

Appendix 3.1: Sample Request to Complete Questionnaire

Further to a telephone call with Jeannie Suric, please find attached an "Invitation", to attend the Breakfast Meeting hosted by the Western Convenience Stores Association to discuss labour market issues facing the Convenience Stores Industry.

Also, attached please find a "Questionnaire", we are hoping you will complete and return via email or bring it along to the Breakfast Meeting!

We look forward to seeing you on Thursday, January 19, 2017, at 9am at the Grand Villa Casino Hotel in Burnaby.

If you have any question, I'd be happy to discuss.

Thank you,

Deborah Silvester,
[604 8163817](tel:6048163817)

Appendix 3.2: Questionnaire

STORE NAME _____

STORE'S GEOGRAPHIC LOCATION _____

LOCATION: _____

NUMBER OF EMPLOYEES: _____

Hi, my name is Jeannie Suric, of the Western Convenience Stores Association. I am sending this in response to your interest to participate in the Labour Market Research Project in order to identify the challenges facing the Industry, i.e., labour shortages and any other challenges with the B.C. Convenience Stores Sector.

I know your time is valuable and I will try to keep the interview as short as possible.

1. PLEASE DESCRIBE YOUR POSITION AND DUTIES IN DETAIL?

2. HOW LONG HAVE YOU BEEN EMPLOYED AT THIS STORE?

3. WHO DO YOU REPORT TO?

4. HOW MANY FULL TIME AND HOW MANY PART TIME POSITIONS ARE THERE AT YOUR STORE?

5. WHAT DO YOU FIND APPEALING WORKING IN THIS INDUSTRY:

-wage/perks:

-hours of work:

-benefits:

-shift work:

-working atmosphere and conditions:

-health and safety program:

-relationship with superior:

-workplace violence:

-p/t vs f/t positions:

-training:

-employee treatment:

-were the goals and expectations clearly defined to you when you were hired:

-advancement opportunities:

-do you have any autonomy in your decision making:

-do you feel you have any job security:

-workplace stressors:

6. WHAT DO YOU FIND UNAPPEALING ABOUT WORKING IN THIS INDUSTRY:

-wage/perks:

-hours of work:

-benefits:

-shift work:

-working atmosphere and conditions:

-health and safety program:

-relationship with superior:

-workplace violence:

-p/t vs f/t positions:

-training:

-employee treatment:

-were the goals and expectations clearly defined to you when you were hired:

-are there advancement and growth opportunities for you:

-decision making:

-job security:

-workplace stressors:

7. WHAT IS THE DIVERSITY MAKE UP OF YOUR STORE?

8. HOW WOULD YOU RATE YOUR OVERALL JOB SATISFCATION?

ANY OTHER ISSUES THAT YOU SEE IMPACTING THE CONVENIENCE STORE
INDUSTRY?

Thank you for your time.

Appendix 3.3: Sample Request to Complete Short Survey

The breakfast meeting in Vancouver identified some of the major labour market challenges the convenience stores and gas industry were facing. Please find attached a “Questionnaire” to be completed and returned at your earliest convenience.

This “Questionnaire” will help to develop a comprehensive strategy to address labour market issues within the convenience stores and gas industry.

Have your voice heard!! We need your help to strengthen the industry!!!!

Thank you for your participation. If you have any questions please do not hesitate to call.

Thank you,

Jeannie Suric,
Project Co-ordinator
604-862-6026

Appendix 3.4: Short Survey

WESTERN CONVENIENCE STORES ASSOCIATION SHORT SURVEY QUESTIONNAIRE

At the breakfast meeting in Vancouver, the following were identified as the major labour market challenges the convenience stores and gas industry were facing. Please add your voice by completing the following few questions. Thank you.

1. What type of retail operation do you represent?

Small _____ (#employees) Medium _____ (#employees) Large _____ (#employees)

2. In what city/town are you located: _____

3. Please let us know the best way to reach you:

a) telephone _____

b) email _____

c) other _____

4. Have you experienced any of the following and, if so, to what extent?

a) Higher staffing levels due to municipal regulations (i.e., must provide both self-serve and full-service gas pumps) Yes _____ No _____

b) Federal Regulations, such as changes to the Temporary Foreign Workers Program making the Program no longer useful to the Industry Yes _____ No _____

c) Wages and incentives. Are you unable to recruit and retain employees because of wages or incentives/benefits? Yes _____ No _____

d) Type of work. Tasks are varied, complex and demand high degree of accountability coupled with low wages make it difficult to recruit and retain employees
Yes _____ No _____

e) Health & Safety. Unable to retain employees due to mental health, stress or abuse from customers. Yes _____ No _____

f) Cost of Living. Is high cost of living a problem with recruitment and retention?
Yes ___ No _____

g) Other, please explain.

If you have answered **YES** to any of the questions above, please elaborate.

Appendix 4: Focus Group Meeting Invitation

INVITATION

Thank you for your willingness to participate in a breakfast session hosted by the Western Convenience Stores Association (WCSA) to discuss labour market issues facing the Convenience Stores Industry. The WCSA recently negotiated a contract with the BC Ministry of Jobs, Tourism and Skills Training to work with Convenience Store owners, employers, employees and other stakeholders to help us clarify, prioritize and address the Industry's labour market issues with support from the Province.

Your participation and insights will be vital to the success of this project and we look forward to meeting with you.

The breakfast meeting to discuss the above is scheduled for:

Date: Thursday, January 19, 2017

Time: 9:00 am

Place: Delta Hotels Burnaby Conference Centre (Grand Villa Casino Hotel)

4331 Dominion Street (**Complimentary Parking**)

Burnaby, B.C. V5G 1C7

Tel 604 453-0761

Fax 604 453-0775

A Continental breakfast buffet will be served and to show our appreciation for your attendance and participation a stipend of \$100.00 will be issued to retail participants following the session.

If you have any questions, please contact Deborah Silvester @ Deborah.silvester@gmail.com or call (604) 534-8499.

Appendix 4.2: Focus Group Meeting Agenda

AGENDA

- 9:00 – 9:30 Registration and Hot Breakfast Buffet
- 9:30 Housekeeping
Deborah Silvester, Project Manager
- 9:35 Opening Remarks
Andrew Klukas, President, Western Convenience Stores Association
- 9:40 Labour Market Partnership Program overview
Philip Evans, Program Manager, Ministry of Jobs, Tourism and Skills Training
- 9:45 Temporary Foreign Worker Program (TFWP) overview
Deborah Silvester, Project Manager (retired Regional Manager, TFWP, B.C./Yukon)
- 10:00 Brainstorm, labour market challenges within the convenience store industry
Jeannie Suric, Coordinator
Deborah Silvester, Project Manager
- 11:00 Next steps and closing remarks
Deborah Silvester

Appendix 4.3: Focus Group Meeting Summary



Focus Group Meeting Summary – Burnaby, BC – January 19, 2017

Participants

Philip Evans – BC Ministry of Jobs, Tourism and Skills Training

Andrew Klukas – WCSA President

Deborah Silvester – Project Manager

Jeannie Suric – Project Co-ordinator

David Charron – Petro Canada

Shirley Dickman – Petro Canada

Dimple Sokhi – Petro Canada

Harjinder Sokhi – Petro Canada

Cameron Laker – Mindfield Group

Mandip Sekhon – Mac's

Rajit Jain – Mac's

Paul Jaswal – Husky

Nicole Saius – Husky

After a brief introduction to the scope and background of the project as well as an overview of the Temporary Foreign Worker Program, participants were invited to brainstorm by sharing their experiences related to labour market challenges within the convenience store industry.

Summary of Key Points

Municipal Regulations

- Unique municipal requirement for split service gas stations in Coquitlam and Richmond
- Gas stations must provide both self-serve and full-serve pumps
- This means higher staffing levels in these stations because one employee must be dedicated to attending the full-serve pump at all times
- Antiquated requirement because vast majority of guests prefer to pump their own gas
- On one day, only 30 litres of fuel was sold from the full serve pumps

- It is very hard to find employees to fill these positions which require standing outside in all conditions waiting for a rare customer who wants to pay extra to have someone pump their gas for them
- Difficulty engaging with municipal government to lobby for change

Federal Regulations

- Changes to Temporary Foreign Worker Program have made it no longer useful to the industry
- TFW fees are prohibitive. When there was no fee, it worked well and participants report success with the program. When the application fee per worker increased to a non-refundable \$1000 in 2014, the program became unworkable. Other issues include long wait times, restriction on the percentage of staff that can be hired as TFWs for “low wage” (less than \$22 per hour) positions, and limits related to regional unemployment rates
- Inconsistent application of TFW regulation across industries is perceived as unfair. For example, exemptions for agriculture

Recruitment and Retention of Staff

- Difficult to find employees of any kind, but especially difficult to find suitable ones
- Very low response rates from ads
- There are a lot people who apply so that they can prove they are seeking work to E.I., but they do not really want a job
- Before changes to the Temporary Foreign Worker Program, employers could rely on that program to help fill positions. This was successful until the application fees were increased and the process became more onerous and stressful. Now it is not a useful resource for this industry
- Current staff is mostly students, mostly part-time. You can find students, but it is very hard to keep them
- Employers perceive many of these recruits to have an attitude of “entitlement” and be lazy, disloyal, unreliable, and prone to quit suddenly and with inadequate notice
- It is extremely frustrating for employers to spend so much of their time managing difficult employees and focusing on hiring and firing when there are so many other things to do. One meeting participant said she is interviewing applicants every day
- Retention cost for employers is about \$4,000 (e.g., it costs about \$4,000 to recruit and provide each new employee with approximately 50 hours of initial training). After all that training, however, employers can’t pay a high-enough wage to recruit and retain high-quality people
- Would like to be able to hire more mature staff (seniors), foreign workers, immigrants, refugees and people with disabilities, but lack the resources to reach out to these groups

Wages and Incentives

- Entry level wage is around \$11 per hour
- With fluctuations in gas prices, there is no dependable profit margin – no certainty

- Employers are willing to offer additional opportunities and benefits to motivated staff if they can find them
- Many employees want to work overtime, but employers cannot afford to pay. The result is that employees take on more hours at competing businesses – sometimes just across the street
- Concern that an increase in the minimum wage (or in wages in general) will result in lay-offs and closures

Misconceptions About the Industry and Type of Work

- Working in a convenience store, especially one with a gas station, requires a higher set of skills than most people think. Employees are not simply cashiers or gas attendants
- Tasks are varied, complex and demand a high degree of accountability (e.g., for checking ID, lottery, tobacco sales, inventory, merchandizing, responding to emergencies, fuel spills, etc.)
- Some staff refuse to perform all tasks required if they feel they are too menial – even if they have signed a contract clearly stating the duties they are expected to perform
- As the industry becomes increasingly automated and technology advances, it will only require more highly-skilled people at higher wages

Health and Safety

- Mental health and stress are big problems for employees
- Abuse from customers is ongoing part of the job
- Late night work can also put employees at a potentially higher risk despite measures to minimize the risks of violence and robbery
- One meeting participant reported hiring 17 new staff in the last month. By the end of the month 7 had quit because the stress was too great

Cost of Living

- The problems with recruitment and retention have been getting worse for about 2 years, but the last 6 months have been particularly difficult and stressful. This was attributed to the high cost of living, especially in the Lower Mainland
- Lower Mainland housing market makes it very difficult to hire “low-wage” staff locally. Housing is neither affordable nor available. This is challenging even in less central areas like Abbotsford and Langley. People are moving away, particularly to Alberta
- Attrition is related to length of commute. If a commute takes more than 20 minutes, it is a major disincentive for employees
- Transportation options can be limited. In many areas there is no transit service that corresponds to the hours of work

Strategy Suggestions

- Improve the “on-boarding” experience for new staff to foster greater enthusiasm and loyalty

- Increase wages. Although employers feel unable to offer higher wages, it was suggested that a modest increase could attract more suitable job applicants, improve retention and thereby mitigate the costs associated with continuous recruitment and training
- Improve the “employment brand” of the industry to make it more attractive to job-seekers
- Increase clarity surrounding job expectations – shift work, night work, challenges working with public, extent and variety of duties
- Diversify the workforce. Research opportunities for recruiting more people with disabilities, seniors, new Canadians, etc. Design positions to suit a more diverse workforce
- Lobby for changes to the Temporary Foreign Worker Program
- Engage with municipal governments to lobby for changes to outdated regulations

Appendix 5.1: Steering Committee Meeting Summary

Summary of the Steering Committee teleconference held on
Wednesday, March 22, 2017.

1. Introductions were made of the members of the Steering Committee.

Shirley Dickman, Petro Canada
David Charron, Petro Canada
Dimple Sokhi, Petro Canada
Nicole Saius, Husky
Rajit Jain, Mac's
Mandip Sekhon, Mac's
Paul Jaswal, Husky
Rae Turenne, Canadian Tire Gas Bar
Melissa Denger, Petro Canada
Balbir Singh, Mac's
2. Terms of References for the Steering Committee were briefly discussed and a commitment was made to electronically disseminate the same to each member.
3. Jeannie discussed the difficulties experienced in engaging the industry. Following engagement attempts were made
 - two electronic mail outs by the Western Convenience Stores Association to B.C. stores, 1274 and 1421 respectively
 - 1 electronic survey
 - telephone calls - Approximately 250
 - long questionnaire sent electronically - 34
 - short questionnaire sent electronically - 107
 - face to face meetings in Kelowna - 5 scheduled

Jeannie solicited suggestions of better ways/means to engage retailers. It was suggested to make a telephone call prior to sending the survey to make the retailers aware that a survey is forthcoming, otherwise the retailers just discard the survey.
4. Next Steps were discussed and the Committee was advised that a research firm, Malatest Program Evaluation and Market Research Company from Victoria, was hired to conduct the Labour Market analysis component of the Project.
5. It was confirmed that the Committee's role is to validate that the information obtained/provided is relevant and accurate.

Commitments made:

- to e-mail a summary of the teleconference together with the Terms of Reference to each Committee Member.

The next teleconference will be scheduled after the Phase 2 approval from the province is received.

Appendix 5.2: Steering Committee Terms of Reference

The following governance structure and Terms of Reference document was presented to the Steering Committee for consideration during its inaugural meeting.

TERMS OF REFERENCE

Purpose:

The role of this Steering Committee is to provide strategic direction and leadership and provide a forum to explore issues, develop and promote labour market intelligence and share, create and recommend solutions relating to labour market challenges within B.C.'s convenience and gas store industry.

Mandate:

The Committee members will exchange ideas, solicit advice and feedback and participate in strategic planning on labour market issues.

The Committee members are accountable for:

- fostering collaboration
- maintaining at all times the focus of the Committee on the agreed scope and outcome
- provide leadership to the success of the Project
- identify key themes and findings
- consensus and direction of next steps to address the Sector's human resources and/or labour market issues and prepare to govern and steer Phase 2 LMI research activities

The membership of the Committee will commit to:

- attending all scheduled Steering Committee meetings
- wholeheartedly champion the partnership
- make timely decisions and take action so as to not hold up the project

Meetings:

All meetings will be chaired by Silvester & Associates Consulting. Decisions will be made by consensus - If consensus cannot be reached, the Steering Committee chair will make the final decision. Meeting agendas minutes will be provided by Silvester & Associates Consulting, this includes:

- preparing agendas and supporting documents
- preparing meeting notes and information

Meetings will be held on a regularly scheduled basis as agreed upon by the membership, with a minimum of three meetings per Labour Market Partnership Phase. Meetings will be held in-person, by teleconference or both.

Amendment, Modification or Variation:

This Terms of Reference may be amended, varied or modified in writing after consultation and agreement by the Steering Committee members.

Appendix 6: Participants

Group Meeting Participants

Burnaby Meeting – January 19, 2017

Philip Evans – BC Ministry of Jobs, Tourism and Skills Training
Andrew Klukas – WCSA President
Deborah Silvester – Project Manager
Jeannie Suric – Project Co-ordinator
David Charron – Petro Canada
Shirley Dickman – Petro Canada
Dimple Sokhi – Petro Canada
Harjinder Sokhi – Petro Canada
Cameron Laker – Mindfield Group
Mandip Sekhon – Mac's
Rajit Jain – Mac's
Paul Jaswal – Husky
Nicole Saius – Husky

Interviewees

In-person interviews were held in Kelowna February 15, 2017

Rae Turenne – Canadian Tire Gas Bar
Melissa Denger – Petro Canada
Balbir Singh – Mac's

Questionnaire and Survey Respondents

Bertha Jeffery – Cortes Market

Steering Committee

Rae Turenne – Canadian Tire Gas Bar
Balbir Singh – Mac's
Dimple Sokhi – Petro Canada
David Charron – Petro Canada
Shirley Dickman – Petro Canada
Rajit Jain – Mac's
Mandip Sekhon – Mac's
Nicole Saius – Husky
Paul Jaswal – Husky
Melissa Denger – Petro Canada

Appendix 7: National Occupational Classification (NOC) Codes

The following NOC codes are relevant to the convenience and gas industry:

- 0621 - Retail and wholesale trade managers
- 6211 - Retail sales supervisors
- 6421 - Retail salespersons
- 6611 - Cashiers
- 6621 - Service station attendants
- 6622 - Store shelf stockers, clerks and order fillers